

## Statewide Master Plan

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Washington State Department of Veterans Affairs  
in association with  
NBBJ

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## Chapter 1 – Overview of Statewide Master Plan

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### The Changing Veteran Population in Washington State

There are presently 642,000 veterans living in Washington State, plus another one million family members of veterans. Approximately 80 percent live west of the Cascade Mountains, with 50 percent residing in King, Snohomish and Pierce Counties. Changes expected in the veteran population over the next 20 years will have a dramatic impact on veteran service needs:

- The number of veterans aged 65 and over will increase by 10 percent, while the number of veterans over age 85 will increase by 226 percent. The growth in the elderly veteran population will increase the demand for long-term care services, including skilled nursing care.
- Vietnam-era veterans will continue to comprise nearly 40 percent of the overall veteran population in 2020. The needs and problems associated with a small segment of the Vietnam-era population — homelessness, drug and alcohol addiction, and the ongoing psychological and physical effects of war trauma-induced Post Traumatic Stress Disorder — will remain an area of major service need.
- The number of female veterans in Washington State is projected to increase by 27 percent over the next 20 years, and veteran programs will need to be adapted to meet the needs of women.

### Preferred Development Strategy for the State Veterans Homes in Western Washington

The State Veterans Homes at Orting and Retsil will be developed with unique missions and roles:

- Long-term care will be consolidated on the Retsil campus, beginning with the construction of a new 240-bed skilled nursing facility to replace current skilled beds at Retsil and Orting. In addition, the Retsil campus will continue to provide 100 beds of light nursing care, which will be upgraded over time through a combination of renovation and new construction.
- The mission of the Orting campus will evolve from long-term care to one dedicated to providing comprehensive, short-term rehabilitation services to younger, mostly homeless veterans. The rehabilitation program will provide an array of services — health and mental health, drug and alcohol treatment and counseling, employment and life skills training — that will assist veterans who are committed to changing their lives and once again becoming productive members of society.

The Orting campus will serve an ambulatory population with a range of limited medical needs, offering both independent and assisted living services. Once the rehabilitation program is fully established at Orting, the campus will serve up to 210 veterans at any one time, with an average length of stay of four to six months.

The estimated capital cost for the new skilled nursing facility at Retsil is \$47.3 million. Under the State Veterans Home construction program, the Federal VA would provide funding for 65 percent of the development costs, or about \$31 million. The remaining \$16 million would be the state's obligation. Capital costs for other Master Plan projects are estimated at between \$17 and \$22 million. Most of these projects will be undertaken in later phases of the Master Plan, and will be funded from a variety of federal, state and local sources.

Under the preferred development strategy, overall staffing and annual operating costs for the combined campuses are expected to be equivalent to current levels. However, there will be a shift in staff levels and operating costs from Orting to Retsil, as long-term nursing care is consolidated at the Retsil campus.

By consolidating long-term nursing care and modernizing facilities at Retsil, the agency will generate significant operating cost savings that will be reinvested to provide vital short-term comprehensive rehabilitation services to younger veterans at Orting. As a result, the agency will expand services at the State Veterans Homes while maintaining the current level of expenditures.

The preferred development strategy will result in substantial economic benefits to the state of Washington. While reducing the overall costs for long-term care, the State Veterans Home at Retsil will continue to receive federal funding (both Federal VA per diems and private VA benefits) to offset the cost of care. Since this federal funding is not available to private nursing homes, the state will save approximately \$1.3 million per year by having medicaid-eligible veterans receive skilled nursing care in the State Veterans Home rather than a private nursing home.

The comprehensive rehabilitation program at Orting will help change the lives of veterans, while lessening the burden on government through reduced demands for public services such as corrections, health care and housing. Based on results achieved at successful rehabilitation programs such as the Federal VA Domiciliary Program in Oregon, the Orting program could result in a direct annual public cost savings of at least \$3.9 million. Other benefits, such as contributions to state, federal and local taxes from increased income and spending, are real outcomes that are not included in this estimate.

## **Establishing a State Veterans Home in Eastern Washington**

The Washington State Department of Veterans Affairs (Agency) is committed to enhancing services to veterans in Eastern Washington. This will include the establishment of a State Veterans Home in the eastern part of the state, and the enhancement of other services such as short-term rehabilitation and development of a veterans cemetery.

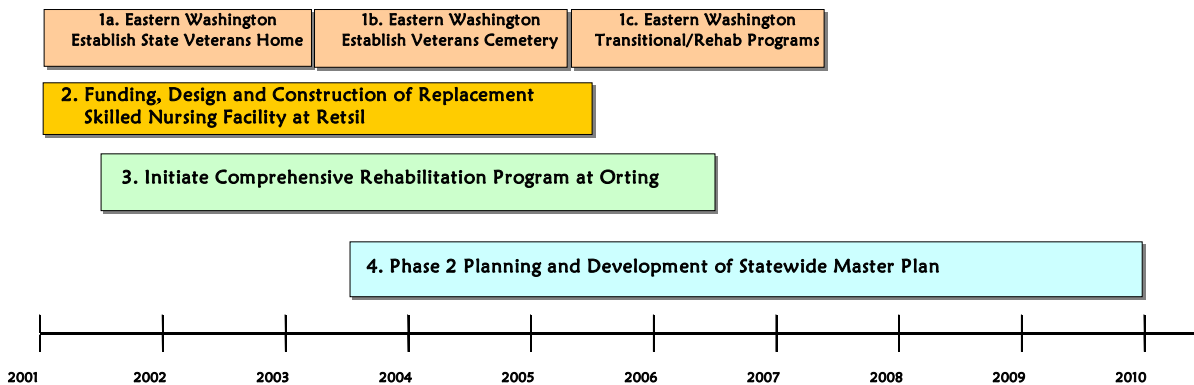
Three options are being considered for the establishment of a State Veterans Home in Eastern Washington:

- State operation of a federally-owned facility, with the most likely candidate being the nursing home facility at the Federal VA Medical Center in Spokane.
- State operation of an existing state-owned facility that could be adapted to use as a State Veterans Home.
- State ownership and operation of an existing community nursing home or homes. Ownership could occur through acquisition, or through a long-term lease with an option to purchase.

The presence of a State Veterans Home in the eastern part of the state would serve a major unmet need and the use of an existing facility would not increase the number of nursing home beds in the region. Similar to the State Veterans Homes in Western Washington, the Home in Eastern Washington would be able to offset the cost of care with Federal VA funding that is not available to private nursing homes. Current analyses estimate the state would save between \$275,000 and one million annually by having medicaid-eligible veterans cared for in a 60-bed State Veterans Home in Eastern Washington, rather than in a community nursing home.

## Priorities and Timeline for Implementation of the Statewide Master Plan

The priorities for implementing the Statewide Master Plan, and the estimated timeline for completion, are shown below:



## Chapter 2 – Background and Purpose of Master Plan

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The Washington State Department of Veterans Affairs (WDVA) provides assistance, counseling and high-quality, long-term nursing care to Washington State veterans and their family members. WDVA operates two State Veterans Homes – located at Orting and Retsil – that provide long-term nursing and domiciliary care to approximately 530 mostly indigent veterans in Washington State. The agency also provides a variety of other services to veterans throughout the state, including assistance in obtaining federal veteran entitlements, counseling for Post Traumatic Stress Disorder (PTSD), homeless services, and fiduciary services for indigent and homeless veterans.

A “Service Delivery & Capital Planning Feasibility” study completed for WDVA in 1998 began to chart the agency’s future direction for serving veterans in Washington State in the most beneficial and cost-effective manner. Among the key findings from this study were:

- The need to invest in new nursing care facilities at the State Veterans Homes to replace existing buildings. These facilities are both functionally obsolete in comparison to modern nursing homes and are in need of significant structural and other upgrades to meet current earthquake and life-safety codes.
- The need to consider consolidation of nursing care at either Retsil or Orting as a way to provide more cost-effective and efficient long-term care to veterans.
- The need to redirect domiciliary care programs at the State Veterans Homes towards a greater focus on rehabilitation and reintegration into the community.
- The need to pursue opportunities for providing long-term care services to veterans in Eastern Washington.

As a result of this initial planning effort, the state Legislature provided funding for WDVA in the 1999-2001 biennium to complete a Statewide Master Plan for future use and improvement of agency assets.

Legislative requirements for the Statewide Master Plan included:

1. A forecast of the future demand for nursing, assisted living, domiciliary and community-based rehabilitative care by the state’s veterans, based upon the projected age, sex, marital and income composition of that population.
2. An assessment of the most cost-effective role for the state to play in addressing such demand.
3. A comprehensive analysis of the programmatic, community, capital and operating costs and benefits of consolidating Western Washington Veterans Home operations, including proposed alternative uses for the other campus if operations are consolidated.
4. An assessment of alternatives for providing skilled nursing and assisted living services in Eastern Washington.
5. An assessment of the feasibility, costs, and benefits of alternative strategies for providing rehabilitative care to younger veterans, such as those now served in state-operated domiciliary units.

In addition to the Statewide Master Plan, WDVA is embarking upon a predesign study to address the needs and space program requirements, siting options, and capital and operating costs for a new 240-bed skilled nursing facility that would replace the existing skilled nursing beds at Retsil and Orting.

This document provides a summary of the Statewide Master Plan. A separate “Master Plan Background” report is being prepared that includes the detailed information and analyses that underlies the Master Plan. The Predesign Study findings have been documented in a separate “Skilled Nursing Facility Predesign Report,” which was published in August, 2000.

The planning process and timelines for completing the Statewide Master Plan and the Skilled Nursing Predesign Study are shown below. The process was inclusive and involved major stakeholders, including residents and staff at the two State Veterans Homes, veteran groups and organizations, state agencies and the Federal VA.

### Planning Process and Timelines: Statewide Master Plan and Predesign Study

	Needs Analysis and Program Definition	Space and Facility Requirements	Site and Facility Alternatives	Comparative Evaluation of Alternatives	Plan/Study Outputs
<b>Master Plan</b>	<ul style="list-style-type: none"> <li>Long Term Care:               <ul style="list-style-type: none"> <li>Western WA</li> <li>Eastern WA</li> </ul> </li> <li>Community Based Care and Services</li> </ul>	<ul style="list-style-type: none"> <li>Conceptual Space &amp; Facility Requirements</li> </ul>	<ul style="list-style-type: none"> <li>Site &amp; Facility Alternatives               <ul style="list-style-type: none"> <li>Western WA</li> <li>Eastern WA &amp; Community Based Care (at Conceptual Level)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Program/Community Environmental Factors</li> <li>Operational Costs &amp; Benefits</li> <li>Capital Costs &amp; Return on Investment</li> <li>Other Economic Costs &amp; Benefits</li> </ul>	<b>Master Plan</b> <ul style="list-style-type: none"> <li>Goals &amp; Policies</li> <li>Program Direction</li> <li>Physical Development Plan</li> <li>Capital Requirements</li> <li>Operation Requirements</li> <li>Operation Direction</li> <li>Financing Plan</li> </ul>
<b>Predesign</b>	<ul style="list-style-type: none"> <li>Skilled Nursing Care at Homes in Western WA (Orting &amp; Retsil)</li> <li>Requirements for:               <ul style="list-style-type: none"> <li>State Predesign</li> <li>Federal VA Construction Programs</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Room by Room Functional &amp; Space Program</li> </ul>	<ul style="list-style-type: none"> <li>Alternatives for Skilled Nursing at Orting &amp; Retsil</li> </ul>	<p><b>Predesign August 31, 2000</b> (Per OFM Requirements)</p>	<b>Master Plan November 22, 2000</b>
<b>Timeline (2000)</b>	* April/May	* May/June	* July	* August	* October/November

## Chapter 3 – Veteran Demographics: The Changing Veteran Population in Washington State

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Approximately 642,000 veterans live in Washington State, representing 11 percent of the state population. There are another one million who are family members of veterans. Nationwide there are approximately 24.4 million veterans representing approximately 9 percent of the total U.S. population.

Since 1990, the veteran population in Washington State has remained stable, while nationally the number of veterans has declined by 10 percent. The stability of the veteran population in the state during the past decade is due to two factors:

- While military bases throughout the nation were closed in the early 1990s as a result of Department of Defense (DOD) downsizing, the bases in Washington State were not affected, and in some instances, were augmented. The active duty military population in Washington State has remained at approximately 45,000, while the active duty population of the United States has declined by about 33 percent between 1990 and 2000.
- The veterans community reports high percentages of active duty personnel remaining in Washington after separation from the military, attracted by a strong economy and high quality of life, especially for retirees. The 67,300 retired military population in our state, as of 1999, represented a 22 percent increase since 1990.

According to Federal VA projections, the overall veteran population in the U.S. is expected to decline by 33 percent between 2000 and 2020. Based on the assumptions, future conflicts will not result in a significant increase in the active duty military population. Because of the factors noted above, the decline in the overall veteran population in Washington State is expected to be much less dramatic than the nation as a whole.

Over the next 20 years, there will be dramatic changes in the composition of veterans in Washington State, which will greatly affect the demand for long-term care and other services.

### The Elderly Veteran Population will Continue To Grow

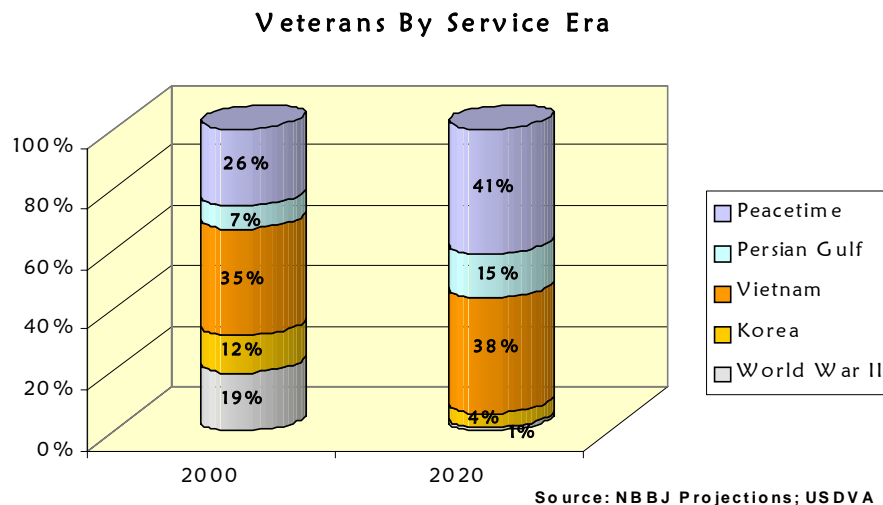
The number of elderly veterans is expected to grow during the next 20 years. The number of veterans over 65 will increase by 10 percent, while the population over 85 will grow by 226 percent. The growth in the elderly veteran population will translate into an increased demand for long-term care, including skilled nursing care. Given the large increase expected in veterans over 85, there is likely to be a rise in the need for special programs dealing with the very old, including care for Alzheimers/Dementia, hospice care, respite care, and increased acute care needs.

In the coming decades, the veteran population will have a much older age profile than the general population in Washington State. While the total number of male veterans in 2020 will comprise 16 percent of the total adult male population, male veterans over 65 will represent 41 percent of total adult males over 65. The projected 27,000 male veterans in 2020 over age 85 will comprise more than 55 percent of the total adult males in this age category.



## In 20 Years Most Veterans will be Vietnam-era or Peacetime Veterans

As mortality takes its toll on our World War II and Korean War veterans, there will be only 30,000 veterans of these two wars still living in Washington State in 2020. Peacetime veterans are expected to show the largest growth, increasing from 26 percent to 41 percent of the total veteran population over the next 20 years. Persian Gulf veterans will also increase from 7 percent to 15 percent of the total veteran population. While the number of Vietnam-era veterans will decline slightly, they will nevertheless comprise

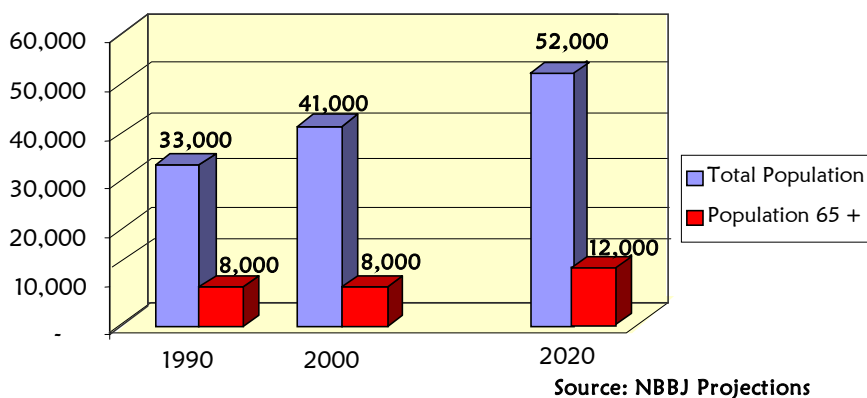


almost 40 percent of the total veteran population in Washington in 2020. The needs and problems associated with a small segment of the Vietnam-era population — homelessness, drug and alcohol addiction, and the ongoing psychological and physical effects of war trauma-induced Post Traumatic Stress Disorder — will remain an area of major service need. The health and long-term care needs will also increase as Vietnam-era veterans begin to reach their 60s and 70s over the next two decades.

## The Veteran Population will Become More Diverse

The current veteran population reflects the composition of the military population in place during the various service eras and wars. Until the 1980s the active duty population was comprised overwhelmingly of Caucasian males. Over the past two decades, the military has made great strides to increase the number of women and minorities. Diversity is just beginning to be reflected in the veteran population, and will substantially grow over the next 20 years. The veteran population is expected to increase by about 27 percent by 2020. Veteran s minority veterans.

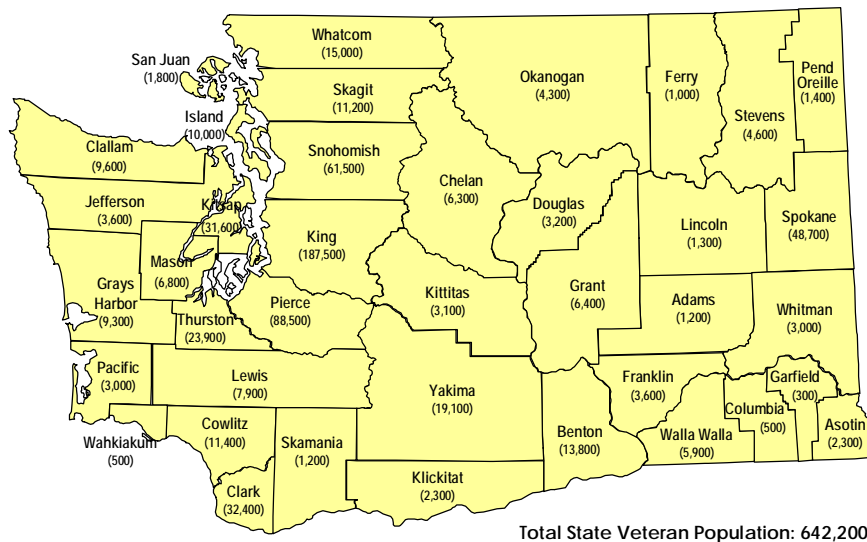
**Female Veteran Population in Washington State 1990-2020**



## Where Veterans Live in Washington

The distribution of veterans in Washington State generally follows the patterns of the general population. Approximately 80 percent of the 642,000 veterans in the state live west of the Cascade Mountains, with 50 percent residing in just three counties: King, Snohomish and Pierce. Approximately one-half of the veterans in Eastern Washington reside in either Spokane or Yakima Counties.

### Washington Veteran Population by County



## Indigent and Homeless Veterans

According to the 1998 Washington State Population Survey, approximately 55,000 veterans reside in households with annual incomes below \$15,000, representing 9 percent of the total veteran population. For the state as a whole, approximately 14 percent of the adult population comprise households with annual incomes less than \$15,000. Assuming the percentage of veterans in each age group who are indigent remains constant, there are projected to be approximately 46,000 indigent veterans in Washington State in the year 2020. Of this total, approximately 54 percent are expected to be over the age of 65, compared to 40 percent today.

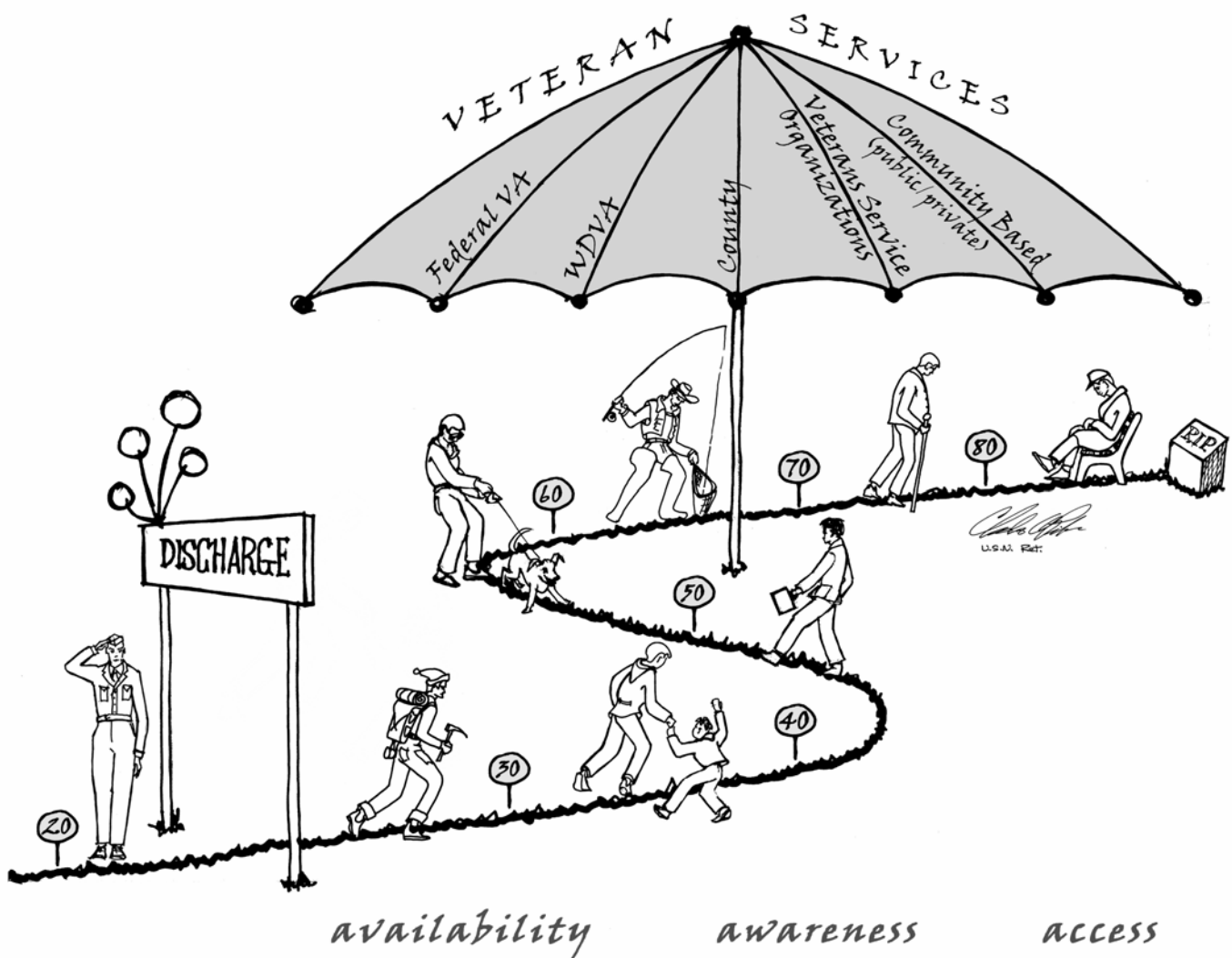
A comprehensive national survey completed in 1999 revealed veterans comprise about 33 percent of all homeless men. In comparison, veterans represent approximately 28 percent of adult males in Washington State. Using a variety of information sources, including homeless counts and shelter statistics, it is estimated there are between 3,000 and 5,000 homeless veterans in Washington State on any given day.

Surveys and profiles of homeless programs in Washington State reveal approximately one-half of homeless veterans served during the Vietnam War; 80 percent have a history of alcohol and/or drug abuse; approximately 70 percent have been incarcerated at least once; and the majority suffer from PTSD, depression and chronic medical problems.

## Chapter 4 – The Vision and Major Goals of WDVA

### Vision

The vision of the Washington State Department of Veterans Affairs is to be a national leader in providing services to veterans and their families in our homes and communities. As illustrated in the graphic below, a key part of this vision is the development of an integrated and coordinated network of federal, state, local and private sector organizations that together provide needed services over the entire continuum of care during a Washington State veteran's lifetime. The effectiveness of providing this continuum of care is predicated upon three key factors: ensuring the **availability** of services; enhancing the veteran's **awareness** of services that are available; and providing the veteran with quick and easy **access** to the services.



## Statewide Master Planning Goals

The following goals were established for the Statewide Master Plan:

- Maintain both the Retsil and Orting campuses as viable and cost-effective places for serving the long-term care and other needs of veterans.
- Promote the concept of “Aging In Place” to provide the ideal of the long-term care continuum for veterans.
- Continue to primarily serve the veteran population that is low-income and/or medically indigent.
- Enhance services at the State Veterans Homes so that they meet veteran needs and can be provided on a cost-effective basis.
- Explore opportunities for new partnerships and funding sources.
- Improve the integration of the State Veterans Homes with community-based services.
- Modernize aging, functionally obsolete facilities at the State Veterans Homes through replacement or renovation.
- Enhance services in Eastern Washington to meet the continuum of care of veterans, including the establishment of a State Veterans Home.
- Develop and/or enhance community-based care and services to veterans throughout Washington State.

## Chapter 5 - Agency Roles and Program Direction

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### Long-Term Care

The State Veterans Homes at Orting and Retsil provide high-quality and cost-effective, long-term nursing care to approximately 530 indigent veterans in Western Washington. The two homes are part of the State Home Program administered and funded by the U.S. Department of Veterans Affairs (Federal VA). State Veterans Homes that meet Federal VA standards receive federal per diem payments (currently about \$50 per day for nursing care and \$20 per day for domiciliary care) for each eligible veteran cared for in their facilities. In addition, the Federal VA is authorized to provide up to 65 percent of the cost of acquisition, construction or renovation of nursing and domiciliary buildings that meet its standards and regulations.

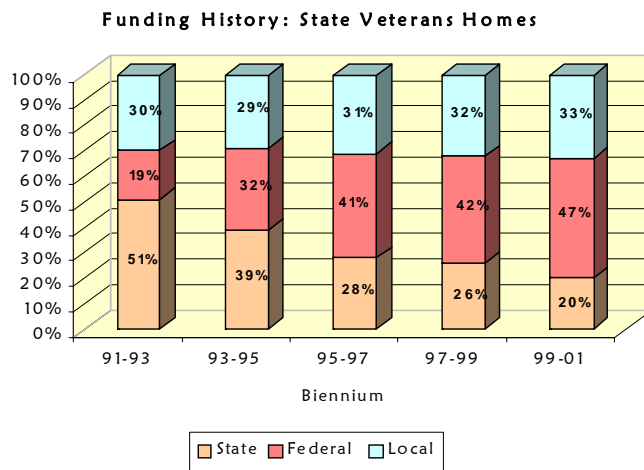
#### State Veterans Homes Facts (Fiscal Year Ending June, 2000)

	<u>Bed Capacity</u>	<u>Current Occupancy Rate</u>	<u>Average Length of Stay</u>	<u>Average Age</u>
<b>Retsil</b>				
Skilled Nursing	150	98%	5.6 yrs	75
Light Nursing	116	91%	1.6 yrs	70
Domiciliary	<u>81</u>	79%	3.3 yrs	63
	347			
<b>Orting</b>				
Skilled Nursing	97	99%	3.5 yrs	79
Light Nursing	45	98%	2.7 yrs	73
Domiciliary	<u>41</u>	86%	3.8 yrs	64
	183			

The value of the State Veterans Homes can be demonstrated in a number of ways:

- As licensed Medicaid nursing care facilities, the State Veterans Homes fill an important gap in the Federal VA long-term care system. Federal VA nursing home facilities, located in the VA Medical Centers in Seattle, American Lake, Vancouver, Spokane and Walla Walla, primarily provide short-term rehabilitative care in accordance with Medicare-eligibility rules that allow for up to 90 days of skilled nursing care. The State Homes play a vital role in providing extended long-term care to veterans. The 1999 Federal Veterans Millennium Health Care Benefits Act, which directs the future focus of Federal VA long-term care, reinforces the vital role of State Veterans Homes in the veteran long-term care system.
- The State Veterans Homes have had average occupancy rates for skilled and light nursing of over 95 percent during the past three years. In comparison, the average occupancy rate for private nursing homes in Washington State is currently approximately 85 percent.
- The State Veterans Homes provide full-time physicians and nurse practitioners, in-house mental health services, full-service pharmacy, and drug and alcohol counseling. Some of these services are Federal VA mandated, and are typically not provided in community nursing homes. Nevertheless, the net cost to the state (currently \$34 per day) for providing medicaid-eligible nursing care at a State Veterans Home is less than the cost to the state for providing long-term care in a community nursing home (currently averages \$42 per day).

- This cost savings reflects the availability of Federal VA funding that offsets the cost of care at the State Veterans Homes, which is not available for community nursing homes. Since the Homes were converted to licensed Medicaid nursing facilities in the early 1990s, the percentage of state funding for State Veterans Homes operations has declined from 51 percent (1993-95 Biennium) to 20 percent (1999-2001 Biennium).



The State Veterans Homes at Retsil and Orting primarily serve the veteran population located in Western Washington, where approximately 80 percent of Washington State veterans reside. There are currently no State Veterans Homes in Eastern Washington to serve the 20 percent of veterans who live east of the Cascade Mountains. Veterans in need of nursing home care in Eastern Washington have the option of either relocating to one of the State Homes in Western Washington, or being placed in a community nursing home in the eastern part of the state.

WDVA's program direction for long-term care over the next 10 to 20 years is as follows:

- 1. Replace the existing skilled nursing facilities at the State Veterans Homes with a 240-bed modern facility that can effectively serve the long-term care needs of a growing veteran population.**

The skilled nursing facilities at both Retsil and Orting are functionally obsolete in comparison to modern nursing homes, are costly to maintain and operate and require substantial upgrades to meet current seismic and other life-safety code requirements. In order to continue providing high-quality and cost-effective skilled nursing care to a growing elderly veteran population that is living longer, the existing skilled nursing facilities should be replaced with a modern facility.

- 2. Upgrade light nursing facility at the State Veterans Homes over time through a combination of replacement and renovation of existing facilities.**

Light nursing facilities at the State Veterans Homes suffer from many of the same deficiencies as skilled nursing care buildings. The facilities are old and costly to operate, fall short of meeting current seismic codes and do not meet the functional standards for modern assisted living facilities. Light nursing care is a critical part of the long-term care program at the State Veterans Homes, as it allows veterans the opportunity to "age in place" without having to move to a new setting.

Although lower in priority than the replacement of skilled nursing beds, light nursing beds at the State Veterans Homes need to be upgraded over time to meet the needs of a growing and aging veteran population.

3. **While not pursuing the expansion of beds at the State Veterans Homes, the department will ensure site development potential responds flexibly to future needs.**

The projected growth in the elderly veteran population in Washington State over the next 20 years will increase demand for long-term care, including skilled nursing care. The state of Washington, which oversees nursing home construction through the Department of Social and Health Services (DSHS), is likely to continue policies that direct long-term care services away from nursing homes to less costly and restrictive alternatives, such as adult boarding homes and home health care.

Given the uncertainty of future state policies, and how they will impact the need and ability to provide new nursing home beds at the State Veterans Homes, WDVA's program direction will upgrade existing beds through replacement and/or renovation, but not increase current bed capacity for long-term care. While not specifically planning an increased bed capacity, the preferred development strategy for the State Veterans Homes does include an area for future development to allow WDVA to respond flexibly to future demand.

4. **Long-term skilled and light nursing care at the State Veterans Homes will provide enhanced programs for dementia & Alzheimer's care, hospice care, mental health services and sub-acute care needs.**

Over the next 20 years, the veteran population aged 85 and over is expected to grow by 226 percent in Washington State. As a result, the age profile of nursing care residents at the State Veterans Homes is likely to get substantially older in the coming years. This will lead to an increased need for quality special care programs geared towards the very old, such as Alzheimers and Hospice care. Alzheimers affects around 19 percent of individuals 75 to 84 years of age, and nearly half of those 85 and older (*Newsweek*, Jan. 31, 2000). As the resident population gets older, increased sub-acute care (care in lieu of hospitalization) needs should also be provided.

5. **The frail/elderly and physically disabled population currently accommodated in the domiciliary program at the State Veterans Homes will either be provided for in the light nursing care program at the Homes, or placed in a community setting.**

The current domiciliary program provides care for two types of veterans with a spectrum of needs. One type is the frail/elderly, physically disabled veteran who, while currently able to live independently, will likely transition to nursing care over time as he/she ages and requires increased assistance with daily living activities. To meet the goal of providing veterans the opportunity to age in place, these veterans will continue to be candidates for long-term care at the State Veterans Homes. Alternatively, veterans in this category could be in a community setting (e.g. boarding home) until their assistance needs require placement in the nursing care program at the State Veterans Homes. The development of community options is part of a major challenge for WDVA to provide "least cost, least restrictive" alternatives through non-traditional funding sources for these veterans, rather than 24-hour, 7-days-a-week institutional care.

The other type of resident presently cared for in the State Veterans Homes domiciliary program is the younger veteran without major physical disabilities but who, because of psychological and other problems — such as drug and alcohol dependency — has not been able to live independently in the community. These veterans would be candidates for the proposed comprehensive rehabilitation program described further in this document.

6. **In addition to providing long-term and light nursing care at the State Veterans Homes, WDVA will work in partnership with the Federal VA, other state agencies, counties, veteran service organizations and community providers in developing a continuum of care throughout Washington State.**

With the passage of the Federal Veterans Millennium Health Care and Benefits Act in 1999, the Federal VA has been charged with expanding the offering of veteran long-term care services to include alternatives to traditional nursing home care.

WDVA plans to work aggressively, in partnership with Federal VA, State Department of Social and Health Services and other providers to develop community-based, long-term care options to veterans throughout the state of Washington. These community-based programs will be integrated with the State Veterans Homes to provide veterans with a full array of appropriate care services.

7. **WDVA will establish a State Veterans Home in Eastern Washington through the ownership, or long-term lease, of an existing nursing home facility.**

Presently, there are no State Veterans Homes located in the eastern part of Washington State. The long-term nursing care needs of medically indigent veterans in Eastern Washington are primarily accommodated in community nursing homes. In addition, there are currently 17 residents occupying beds in Western Washington State Veterans Homes who were living in Eastern Washington at the time of admission. The distance between the resident's community and the Veterans Home creates hardships for both the veteran and his or her family in Eastern Washington.

The state of Washington currently uses a ratio of 40 skilled nursing beds per 1,000 population over the age of 65 in determining the need for nursing home beds statewide. Applying this ratio to the 42,000 veterans over age 65 who currently live in Eastern Washington results in a need for approximately 1,680 skilled nursing beds. The State Veterans Homes in Washington State primarily serve the long-term care needs of medically indigent veterans. Since approximately 12 percent of veterans over the age of 65 are medically indigent (indicated by household incomes under \$15,000), there is an estimated current need for approximately 202 skilled nursing beds ( $1,680 \times 12$  percent) for indigent veterans in the eastern part of the state.

WDVA is committed to establishing a State Veterans Home in Eastern Washington over the next two to three years. Rather than constructing a new nursing home facility, the new State Veterans Home in Eastern Washington would be established through the ownership, or long-term lease, of an existing nursing facility. Use of an existing facility is based on the following reasons:

- State policies and regulations over long-term care are likely to continue directing long-term care towards less costly alternatives to nursing homes, such as boarding homes and home health care. There are presently approximately 5,900 community nursing home beds in Eastern Washington, with an overall occupancy rate of less than 85 percent. The most feasible and prudent approach for establishing a State Veterans Home is through use of existing beds, rather than creation of new beds.
- By acquiring an existing facility through a long-term lease, or similar arrangement, it would be possible to establish a State Veterans Home in Eastern Washington without a major capital funding request. Given the current and expected future limits to the state's debt capacity, such an approach is likely to have greater chance of success in the short-term.

Chapter 7 explores alternative development strategies for establishing a State Veterans Home in Eastern Washington.



## Rehabilitative Care for Veterans

It is safe to say the vast majority of the 225,000 Vietnam-era veterans in Washington State are living healthy and productive lives. There is a small percentage of Vietnam-era veterans however, who are engaged in an ongoing life struggle to overcome psychological trauma, drug and alcohol dependency and other medical maladies. These veterans fall into a cycle of addiction, family disintegration, joblessness, homelessness, and/or crime that is a severe burden to themselves, family members and friends, and society as a whole.

A number of surveys and studies reveal:

- Approximately 30.6 percent of male Vietnam-era veterans and 26.9 percent of females serving during the Vietnam-era have had Post Traumatic Stress Disorder (PTSD) some time during their lives<sup>1</sup>. PTSD has a strong relationship with other post-war readjustment problems, such as psychiatric disorders and drug and alcohol addiction. PTSD is also a major contributor for other health problems, including hypertension, circulatory and digestive problems, and nervous system and respiratory diseases.
- Approximately 33 percent of the homeless population consists of honorably discharged veterans<sup>2</sup>. On any given day, there are approximately 3,000 to 5,000 homeless veterans in Washington State, of which:
  - Approximately 50 percent served in Vietnam, with the remainder primarily Persian Gulf and peacetime veterans;
  - The average age is just under 50, and 90 percent are either single or divorced;
  - More than one-third have some college education;
  - Almost all have history of frequent job turnover and long periods of unemployment;
  - More than 80 percent have a history of alcohol and/or drug abuse;
  - Between 60 percent and 70 percent have been incarcerated at least once;
  - The majority suffer from PTSD and/or depression;
  - Approximately two-thirds report chronic medical problems; and
  - Approximately one-half report past hospitalizations for psychological problems.

Over the past decade, the rehabilitative program focus of the Federal VA, WDVA, counties, and non-profit organizations, such as Veterans Independent Enterprises Washington (VIEW), have provided a concerted effort to address the rehabilitation needs of veterans, particularly the homeless population.

WDVA, through its statewide PTSD program, works closely with Federal VA Medical Centers and Vet Centers, King County Veterans Program, and private mental health providers to provide PTSD counseling to veterans and their families throughout the state of Washington.

In addition, WDVA provides funding and other services to programs operated by Federal VA, King County and VIEW that offer comprehensive rehabilitation services to homeless and other veterans with serious addictions or other problems that prevent them from being productive members of the community. These programs provide a range of counseling mental health and physical health services, job training and

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<sup>1</sup> National Vietnam Veterans Readjustment Study, 1990.

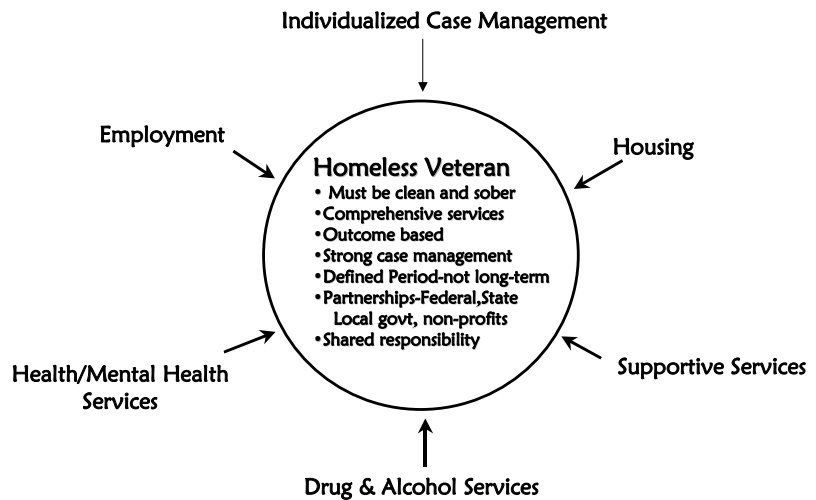
<sup>2</sup> Interagency Council on the Homeless, "Homelessness: Programs and the People They Serve," December, 1999.

employment, with the goal of having veterans move into independent living situations with sustained employment opportunities.

Comprehensive services within these programs are offered through a partnership of federal, state and local providers. The programs are short-term (ranging from six weeks to a year) and are focused on achieving successful outcomes through shared responsibility. A commitment to change on the part of the veteran is a key component in all programs. Accountability is maintained through a contract that spells out responsibilities, such as abstaining from drugs and alcohol, maintaining a savings account, etc. Rehabilitation programs range from those where

veterans live in the community (VIEW, King County Veterans Program) to those where veterans reside in an institutional setting (Federal VA domiciliary programs at American Lake, Vancouver, and White City, Oregon). Outplacement options include independent living and other community housing options.

## Veteran Reintegration Program Model



All of these rehabilitation programs demonstrate success through positive outcome measures, such as: reduced rates of incarceration; increased numbers of veterans employed; an end to homelessness; and improved psychological and physical health. Presently these programs reach only a small portion of the veterans who are in need of such services in Washington State. Needs are expected to increase as the Vietnam-era veteran population ages over the next 20 years, and demands increase from the growing number of Persian Gulf and peacetime veterans.

WDVA's rehabilitation program direction for veterans over the next 10 to 20 years is as follows:

### 1. Capitalize on existing best practices to deliver veteran services in communities statewide.

WDVA has a successful track record of working with Federal VA, counties, and private non-profit organizations, such as VIEW, in providing comprehensive rehabilitation services to younger veterans, including the homeless population. WDVA's role in these programs is often to fill in the "gaps" where other services are unable or are unavailable. For example, WDVA provides low-cost residential services for homeless veterans in Spokane and Walla Walla under programs administered by the Federal VA. Another example is the provision of eyeglasses, purchased at a reduced cost through private industry in a community partnership, for homeless veterans in King County.

Areas where the agency will focus its future efforts include: case management; rural health; enhanced homeless programs; minority and women veterans outreach; drug and alcohol aftercare; and community-based alternatives.

## 2. Initiate a rehabilitation program for veterans at the State Veterans Homes.

The domiciliary program at the State Veterans Homes does not provide comprehensive rehabilitation services to veterans who are candidates for employment and/or reintegration to the community. The environment at the State Veteran Homes is structured for long-term care and resources are presently not available to provide the necessary services and structure for an effective rehabilitation program.

Although the daily cost of care in the State Veterans Home domiciliary program (\$70 per bed day) is lower than the daily cost for comprehensive rehabilitation programs (for example, \$85 per bed day for Federal VA domiciliary program at White City, Oregon), the annual cost per veteran at the homes is actually higher since the average length of stay is much longer (three years versus six months at White City). Furthermore, the domiciliary program at the State Veterans Homes does not produce outcomes — such as lowered rates of incarceration, increased numbers of permanent jobs held, etc. — that rehabilitation programs demonstrate as evidence of their success.

According to homeless veterans program providers from around the state, there is a great need for a rehabilitation program based in a setting such as the State Veterans Homes. Such a program would effectively serve homeless veterans, and others in need, who are not yet ready to live independently in the community. For veterans who are committed to change, but are mired in a cycle of addiction, homelessness, unemployment and/or crime, a place and program is needed to provide counseling and treatment, work and employment training, and other independent living skills that foster a successful reintegration to the community.

The guiding principles of an effective rehabilitation program at the State Veterans Homes are as follow:

- Focus will be on reintegrating younger, mostly homeless veterans into the community. The program will serve an ambulatory population with a range of limited medical needs.
- The program will be transitional with time limits, with an average length of stay of approximately six months.
- Comprehensive rehabilitation services will include drug and alcohol treatment and counseling, vocational rehabilitation, employment training and mental health services. The program will have phased work settings, ranging from on-site incentive work therapy to employment in the community. It will also have individualized plans for each veteran, with strong case management. The program will also include relapse therapy for those veterans who initially do not succeed in community reintegration.
- The program will be operated on the basis of successful outcomes, both for the individual participant (e.g. improved health, long-term employment and housing). It will also include measures for the positive impacts on society, including economic benefits such as reduced costs for incarceration, housing subsidies and health services.
- A criterion for admission to the program will be a commitment by the veteran to improve his or her life. This commitment will be codified by a contract where services are provided in exchange for the veteran's promise to work, abstain from substance abuse, maintain a savings account, etc.

- The program will require strong collaboration with Federal VA and private sector providers. Funding and service responsibilities for the program will be shared between the state, federal and local governments, as well as the private sector. *(No additional state general funds will be required for the program.)*
- Many of the core services will be provided on site, with support services provided in the community.
- The program should be physically separate from the long-term care program in order to create its own identity and foster a strong rehabilitation focus.
- As the program matures, it is anticipated to serve up to 210 veterans at any one time.

These principles form the initial outline of a comprehensive rehabilitation program at the State Veterans Homes. The translation of these principles into an effective, workable program will be undertaken through a shared effort by WDVA, the Federal VA and other partners. WDVA will spend the next two to three years working with other service entities to develop a pilot rehabilitation program.

## Chapter 6 – Preferred Development Strategy for the State Veterans Homes in Western Washington

Based on the program direction for long-term and rehabilitative care, and a comprehensive evaluation of alternative futures for the State Veterans Homes, a preferred development strategy for the State Homes at Retsil and Orting has been selected. Under the preferred development strategy, the Retsil and Orting campuses will be developed with unique missions and roles:

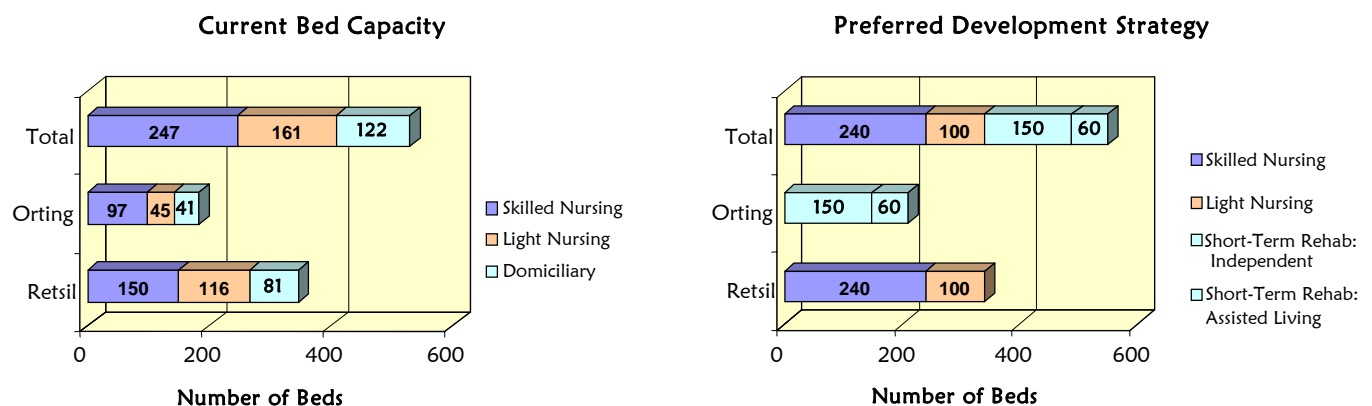
- Long-term nursing care will be consolidated on the Retsil campus, beginning with the proposed construction of a new, 240-bed skilled nursing facility that will replace current skilled beds at Retsil and Orting. In addition, the Retsil campus will continue to provide 100 light nursing beds, which would be upgraded over time through a combination of new construction and renovation.
- The mission of the Orting campus will evolve from long-term care to one that is dedicated to providing comprehensive, short-term rehabilitation services to younger, mostly homeless veterans. The campus will serve an ambulatory population with a range of limited medical needs, offering both independent and assisted living services. Once the rehabilitation program is fully established at Orting, the campus will serve up to 210 veterans at any one time, with an average length of stay of four to six months.

In addition to short-term rehabilitation, the Orting campus may accommodate up to 100 units of transitional housing. This will be low-cost housing that provides a bridge between the short-term residential rehabilitation program and permanent housing in the community.

It is anticipated the transitional housing project will be developed and governed by a consortium of community service entities and operated by a non-profit organization. The consortium will be responsible for obtaining funding for the project. The state of Washington will provide the land in return for a commitment to include a minimum percentage of veterans as occupants in the housing project.

The current bed capacities and those proposed for the two State Veterans Homes under the preferred development strategy are shown below. The number of beds at Retsil will remain about the same as current levels, although under the preferred development strategy the beds will be used exclusively to provide long-term skilled and light nursing care. At Orting, the total number of beds would increase from 183 to as many as 210, although under the preferred development strategy these beds will provide rehabilitative services, but not long-term care. This does not include the transitional housing units that may be developed by a private, non-profit organization at the Orting site.

### Proposed Site Concepts and Phasing: Retsil



The proposed new skilled nursing facility will require demolition of seven buildings currently housing domiciliary/light nursing residents, administration, kitchen/dining, auditorium and activities. The proposed project will also provide parking to replace 173 spaces and add 120 new ones, for a total of 293 spaces.

A complete description of the proposed new skilled nursing facility is included in the Skilled Nursing Facility Predesign published in August, 2000.

**Phase 2** at Retsil will occur subsequent to 2006, and consists of modernization of 100 light nursing beds on the southern part of the campus. The plan for modernization of light nursing beds includes renovation of Building 10 and possibly new construction.

There is ample development potential on the southern part of the Retsil site to respond flexibly to additional future long-term care needs.

### **Proposed Site Concepts and Phasing: Orting**

The proposed site concept and phasing plan for short-term rehabilitation and transitional housing at Orting is illustrated on page 22. Also included is a graphic illustrating the core and support services that may be provided in the comprehensive rehabilitation program.

**Phase 1** will take place between 2002 and 2007. In this phase, independent and assisted living residents will use the existing skilled nursing facility (once residents are relocated to the new facility at Retsil) and Roosevelt Barracks. A total of 120 beds will be provided for short-term rehabilitation.

The initial phase at Orting may also include the construction of up to 100 units of transitional housing, at a location to be determined. Transitional housing will not be part of the rehabilitation program, but provide graduates of the program and other veterans the opportunity for temporary low-cost housing prior to finding permanent housing. It is anticipated federal grants and community partnerships will fund this portion of the project.

**Phase 2**, anticipated to take place subsequent to 2007, and will expand the residential rehabilitation program as needed by up to 90 beds through new construction.

# RETSIL



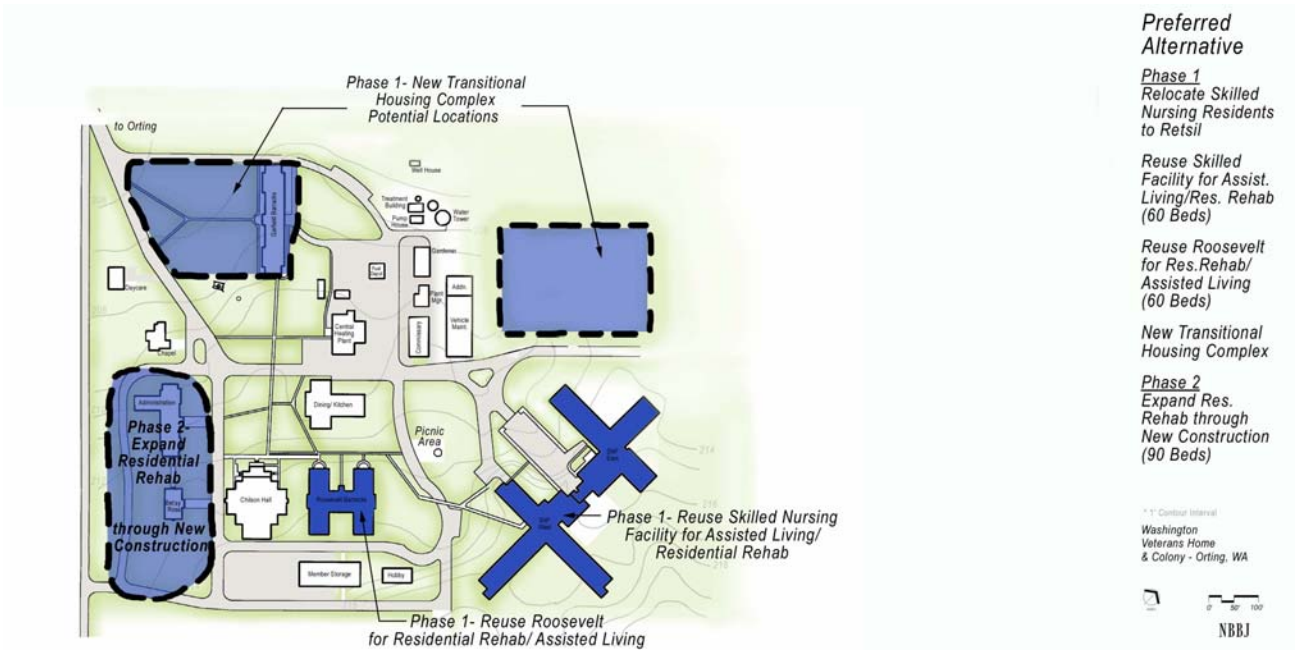
## Concept Illustration

Proposed 240-Bed Nursing Facility  
Retstil, Washington

NBBJ



# ORTING



## Residential Rehabilitation Framework



## Estimated Capital Costs and Funding

### *Proposed Skilled Nursing Facility*

A detailed estimate of the costs to construct the new, 240-bed skilled nursing facility at Retsil is included in the Skilled Nursing Facility Predesign published in August 2000. The estimated project cost for the proposed facility is \$47.3 million, with an anticipated completion date of mid-2005. Under the State Veterans Home construction grant program, the Federal VA will provide funding for 65 percent of the development costs, or about \$31 million. The remaining \$16 million will be the obligation of the state.

The 1999 Federal Veterans Millennium Health Care and Benefits Act (Millennium Act), significantly altered the methodology for assigning priorities to applications from states for Federal VA grants for construction and renovation of State Home programs. The new law shifts the focus of the grant program from the construction of new facilities to the renovation or replacement of existing facilities. The highest priority is assigned to projects that remedy life-safety deficiencies and seismic risk.

Since the proposed skilled nursing facility at Retsil will replace existing facilities to meet current earthquake and other life-safety codes, it is anticipated the Federal VA will assign this project the highest priority.

### *Other Capital Cost Requirements*

Funding for renovation and new construction of light nursing and residential rehabilitation is expected to come from a variety of sources, including Federal VA and other federal, state, local and private sector sources.

Estimates of the capital costs for other components are shown below. These projects are much less defined in comparison to the proposed skilled nursing facility and the resulting cost estimates are very conceptual. Program, facility planning, and related cost estimates for these projects will be refined as part of implementation of the Statewide Master Plan.

Proposed Master Plan Project			Estimated Cost (In Year 2000 \$)	Years
<b>Retsil:</b>	Phase 2	Renovation and New Construction of Light Nursing Facilities	\$10 to \$12 Million	2005-2009
<b>Orting:</b>	Phase 1	Reuse of Existing Facilities for Rehabilitation Program	\$1 to \$3 Million	2005-2007
	Phase 2	Construction of Residential Rehabilitation Beds	\$6 to \$7 Million	2007-2009

## Projected Operating Costs

Projected staffing and annual operating costs for the preferred development strategy are shown below. They reflect the estimated number of FTEs and projected annual costs (stated in year 2000 dollars) to operate the Retsil and Orting campuses once long-term care is consolidated at the Retsil campus. The staffing and cost projections are based on both agency-specific requirements and benchmarks for other long-term care facilities, including State Veterans Homes in other states.

Under the preferred development strategy, total staffing and annual operating costs for the combined campuses are equivalent to current levels. However, there would be a shift in both staff and operating costs from Orting to Retsil, as long-term nursing care is consolidated at the Retsil campus.

There is projected to be significant staffing and operating cost savings from the consolidation of long-term nursing care and modernization of facilities at Retsil. Annual savings in skilled nursing costs are projected at approximately \$1.5 million, and the average cost-per-skilled-nursing bed-day is expected to decline from \$190 to \$180. These savings will be reinvested at the Orting campus to initiate the comprehensive rehabilitation program for younger veterans. Thus, WDVA will be able to expand its services at the State Veterans Homes without increasing overall annual expenditure levels.

	Current Operations			Preferred Development Strategy		
	Retsil	Orting	Combined	Retsil	Orting	Combined
<i>Staffing (FTE's)</i>						
Direct Care	122	72	194	201	35	236
Other	158	99	257	164	50	214
<b>Total FTE's</b>	<b>280</b>	<b>171</b>	<b>451</b>	<b>365</b>	<b>85</b>	<b>450</b>
<i>Annual Operating Costs (in 000's)</i>						
Salaries & Benefits	\$11,642	\$7,342	\$18,984	\$15,462	\$3,608	\$19,070
Non-Salary Costs	\$ 3,547	\$2,207	\$ 5,754	\$ 4,014	\$1,725	\$ 5,739
<b>Total Annual Costs</b>	<b>\$15,189</b>	<b>\$9,549</b>	<b>\$24,738</b>	<b>\$19,476</b>	<b>\$5,333</b>	<b>\$24,809</b>
<i>Annual Costs by Level of Care (in 000's)</i>						
Skilled Nursing	\$10,307	\$6,554	\$16,861	\$15,317		\$15,317
Light Nursing	\$ 3,338	\$2,012	\$ 5,350	\$ 4,159		\$ 4,159
Domiciliary	\$ 1,544	\$ 983	\$ 2,527			
Rehabilitation					\$5,333	\$ 5,333
<b>Total Annual Costs</b>	<b>\$15,189</b>	<b>\$9,549</b>	<b>\$24,738</b>	<b>\$19,476</b>	<b>\$5,333</b>	<b>\$24,809</b>
<i>Average Cost per Bed Day</i>						
Skilled Nursing			\$190			\$180
Light Nursing			\$ 97			\$117
Domiciliary			\$ 70			
Rehabilitation						\$ 76

## Other Alternatives Considered in the Master Plan

In addition to the Preferred Development Strategy, three alternatives were considered for the future of the State Veterans Homes at Retsil and Orting:

- **No Action or Status Quo:** This alternative would retain the current nursing and domiciliary care programs and bed capacities at the two campuses. WDVA could not continue to maintain and preserve existing facilities without major new investment. The 2001-03 request for preservation to maintain the status quo is \$9.1 million.
- **Build New at Both Campuses:** This alternative would continue providing long-term nursing care at both Retsil and Orting at current levels, but would modernize facilities with the construction of two new, 120-bed skilled nursing facilities. Under this alternative, short-term rehabilitation services for younger veterans would not be provided at the State Veterans Homes.
- **Consolidation of Nursing Services:** This alternative consolidates long-term nursing care at Orting, initiated with the construction of a new, 240-bed skilled nursing facility that would replace existing skilled nursing beds at both locations. A short-term rehabilitation program for younger veterans would be developed on the Retsil campus.

**The Preferred Development Strategy provides WDVA with significant programmatic and operating cost benefits in comparison with these other three alternatives:**

- It replaces aging, functionally obsolete and seismically deficient nursing care buildings with a modern skilled nursing facility that will allow the agency to effectively serve the continuum of long-term care needs of a growing and aging veteran population over the next 30 years.
- By consolidating long-term nursing care and modernizing facilities at Retsil, the agency will generate significant operating cost savings. Those savings will be reinvested to provide vital, short-term comprehensive rehabilitation services to younger veterans at Orting. This results in expanded services at the State Veterans Homes while maintaining the current level of expenditures.
- Consolidation of long-term care at Retsil will contribute to higher quality nursing care, including:
  - The ability to manage staff and other resources more effectively in one setting;
  - The opportunity for creating high-quality special programs, such as Alzheimer's and hospice care, due to the presence of a "critical mass" that fosters the ability to bring in the appropriate resources; and
  - The ability to maximize partnerships with the Federal VA and other providers.
- The comprehensive rehabilitation program at Orting will provide vital services to meet the needs of the underserved Vietnam-era veteran population, as well as the growing number of Persian Gulf and peacetime veterans. The program will be a partnership between WDVA, Federal VA, counties and private sector providers, which will serve as a model for achieving the goal of "One VA."
- Of the two existing campuses, Retsil is the clear choice for consolidating long-term nursing care because of the proximity of the Orting campus to Mount Rainier and the associated risk of being unable to evacuate a frail skilled nursing population on very short notice if a catastrophic lahar (volcanic mud flow) were to occur.

Pierce County's development code recognizes this risk by precluding the development of critical facilities — including medical facilities with 50 or more resident incapacitated patients — within volcanic hazard areas, which includes the Washington Soldiers Home at Orting. Given these risks at Orting, clearly it would not be prudent to invest in a new skilled nursing facility and consolidate long-term care at that location, especially since the Retsil campus is an appropriate alternative. **It is extremely unlikely the federal government will fund a skilled facility on land predetermined to be in a volcanic hazard area.**

## Economic Benefits to the State of Washington

**Long-Term Care** – The lower costs projected for the State Veterans Homes, as a result of a new skilled nursing facility and consolidation at Retsil, will translate into substantial cost savings for the state of Washington for medicaid-eligible skilled nursing care. The table below compares the average daily and annual cost to the state for providing skilled nursing care to medicaid-eligible veterans in a 240-bed skilled nursing facility under three scenarios: current State Veterans Homes at Retsil and Orting; Preferred Development Strategy which consolidates nursing care at Retsil; and a community nursing home.

Under current operations, it costs the state of Washington approximately \$2.6 million annually to provide skilled nursing care to medicaid-eligible veterans in the State Veterans Homes. Because the State Veterans Homes can use available Federal VA funding (both Federal VA per diems and private VA benefits) that is not available to community nursing homes, the cost to the state is approximately \$600,000 less than if medicaid-eligible veterans were cared for in a community nursing home (\$3.2 million vs. \$2.6 million). Under the Preferred Development Strategy, the lower costs from consolidation and new facilities results in approximately \$700,000 (\$2,600,000 vs. \$1,912,000) additional savings to the state of Washington for skilled nursing care at the State Veterans Homes. After consolidation, the state will save a total of approximately \$1,300,000 (\$3,212,000 vs. \$1,912,000) per year by having medicaid-eligible veterans cared for in a State Home rather than in a community nursing home.

### Washington State Cost Comparison for Medicaid-eligible Skilled Nursing Care State Veterans Homes vs. Private Nursing Facility (Amounts Stated in Year 2000 Dollars)

#### Western Washington State Veterans Homes

	Current	Preferred Development Strategy	Community Nursing Home
<b>Average Daily Costs:</b>			
Total Cost of Care	\$190	\$180	\$123 <sup>1</sup>
Less: Non-State Revenues:			
Resident Contributions <sup>2</sup>	\$ 57	\$ 57	\$ 20
Federal TXIX Revenue <sup>3</sup>	\$ 42	\$ 42	\$ 54
Federal VA Per Diem	\$ 50	\$ 50	-
Other Federal Revenue	\$ 7	\$ 6	\$ 7
Total Non-State Revenue	\$156	\$155	\$81
Net State Expense/Bed Day	<b>\$34</b>	<b>\$25</b>	<b>\$42</b>
Annual Bed Days <sup>4</sup>	76,475	76,475	76,475
Annual State Cost	<b>\$2,600,000</b>	<b>\$1,912,000</b>	<b>\$3,212,000</b>

<sup>1</sup> Average cost from 1999 Medicaid Cost Report data, escalated by 3 percent to 2000.

<sup>2</sup> Veterans Home figure based on FY 2000 resident contributions for the State Veterans Homes. Private figure reflects the average non-Federal VA portion (e.g. social security, private pensions) of resident contributions. Federal VA benefits would not be available to private nursing homes to offset the cost of care.

<sup>3</sup> Federal matching portion of the facility Medicaid rate. Calculated by subtracting resident contributions from the total allowable Medicaid cost of care and multiplying result by 52 percent. Allowable Medicaid cost for State Veterans Home is based on FY 2000 weighted average of \$138 per bed day.

<sup>4</sup> Based on 240-bed facility at 97 percent occupancy, and 90 percent medicaid-eligible residents (240x97 percentx90 percentx365=76,475).

**Rehabilitative Care:** The comprehensive rehabilitation program proposed for the Orting campus will provide vital services to younger, mostly homeless veterans to help break the cycle of addiction, joblessness, homelessness and/or crime, and allow these veterans to become productive members of our society. The projected WDVA cost for the program is estimated at approximately \$76 per bed-day, or \$5.3 million per year. After Federal VA and other non-state funding sources are taken into consideration, the net cost to the state is projected at approximately \$21 per bed-day, or approximately \$1.5 million per year. This state portion of the program would be funded from the savings of consolidating long-term care at Retsil and would not require new state general funds.

The rehabilitation program will achieve positive outcomes which result in both improved lives for veterans and a lessening of the burden on government and society as a whole. The Federal VA domiciliary program at White City, Oregon which provides comprehensive rehabilitation services to approximately 700 mostly homeless veterans reports the following average outcomes for the program for 1999:

Category	Six Months Prior To Admission	Six Months Post Discharge	Percentage Change
Number of Times Arrested	.3	.1	-67%
Number of Days Incarcerated	5.8	.9	-85%
Number of Times in Hospital (Medical)	1.0	.3	-70%
Number of Days in Hospital (Medical)	6.4	2.6	-60%
Number of Times in Hospital (Psych)	.6	.1	-83%
Number of Days in Hospital (Psych)	4.0	1.8	-55%
Number of Days Employed	28.4	65.1	+129%
Number of Days Used Alcohol/Drugs	49.3	15.8	-68%
Number of Days with Housing	92.0	162.4	+76%

Source: White City Domiciliary Annual Outcomes Management Report, March 2000.

These outcomes, which are based on responses to participant surveys given at admission and again six months and one year after discharge, clearly demonstrate the potential for a quality comprehensive rehabilitation program to help change the lives of veterans. The outcomes also reveal how these changes translate into reduced public costs which more than offset the cost of operating the program.

By achieving similar positive outcomes for the proposed rehabilitation program at Orting, significant public savings would accrue through reduced costs for corrections, health/mental health and housing. The \$3.9 million in public cost savings estimated below is a conservative amount, reflecting only those costs that can be easily quantified from the outcome measures. There would be other areas of public cost savings as well, including a reduction in drug and alcohol and treatment services and a decrease in the police, courts, and related costs incurred each time an individual is incarcerated. Other benefits, such as contributions to state, federal and local taxes from increased income and spending, are real outcomes that are also not included in this estimate.

Category	Average Change: Pre-Admission vs. Post Discharge	Total Number of Reduced Days/Times <sup>1</sup>	Average Public Cost per Day/Times	Estimated Annual Public Costs
Days Incarcerated	4.9 days	1,470 days	\$70 <sup>2</sup>	\$ 103,000
Days in Hospital (Medical)	3.8 days	1,140 days	\$2,700 <sup>3</sup>	\$3,078,000
Days in Hospital (Psych)	1.2 days	360 days	\$1,202 <sup>3</sup>	\$ 432,000
Days with Housing	70.4 days	21,120 days	\$15 <sup>4</sup>	\$ 316,800
<b>Total</b>				<b>\$3,929,800</b>

<sup>1</sup> Based on 300 discharges per year (150 residents with average length of stay of six months).

<sup>2</sup> Washington State Department of Corrections average cost information (1997 data escalated to 2000).

<sup>3</sup> Washington State Department of Health statistics, averaged for a sample of large and small hospitals.

<sup>4</sup> Average cost per day for a sample of emergency shelters used by veterans in King County.

## Chapter 7 – Development Strategies for Eastern Washington

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### Field Operations and Services Network

The enhancement of veteran services in Eastern Washington is WDVA's most immediate and number one priority. The feasibility study completed in 1998 identified several areas of increased demand for services and a growth in the veteran population since 1990. Given the population growth and the increase demand for services, WDVA must redeploy its resources in an effort to reach more veterans and families throughout the state.

One of the primary federal benefits for veterans is the disability compensation claim for either a disability-connected to a veteran's service in the military, or a non-service connected disability based on a veteran's income. This benefit, while important, represents a small portion of the type of services and issues veterans and their family members require. The new field service delivery system will provide a much broader range of awareness of various programs, establish linkages and availability of community programs and access to the full range of services.

WDVA will deploy Veterans Community Services Coordinators (VCSC) in lieu of having static field offices so a larger catchment area can be served and more communities receive outreach services. WDVA, in close partnership with volunteer service officers, federal, public, and private entities, will refer veterans and their families to the services they need in a coordinated approach. A client tracking system – presently under development – will assist field programs to manage referrals and maintain client accountability in order to minimize service gaps.

### State Veterans Cemetery

In order to provide a continuum of care and services similar to those in Western Washington, it is imperative WDVA and the veterans community focus on veterans burial services in Eastern Washington. The Federal VA, through its State Cemetery Grants Program, will fund 100 percent of the building construction, landscaping, and equipment necessary to establish a cemetery program. A non-profit foundation will provide the perpetual maintenance of this facility. Currently, there are 41 state cemeteries in service nationwide, with many using innovative ideas to maintain them in an operationally viable way. The cost in FY 2000 dollars is approximately \$5 million, and funded by the grants program. There is a growing interest from Veterans Services Organizations and influential community members as the agency embarks on this initiative in 2001.

### State Veterans Home

As discussed in Chapter 5, the agency is committed to establishing a State Veterans Home in Eastern Washington through the ownership (either by acquisition or long-term lease) of an existing nursing home facility. Unlike the State Veterans Homes in Western Washington, where a preferred development strategy has been selected, the agency has not yet determined the most appropriate and cost-effective solution for establishing a State Veterans Home in Eastern Washington. Additional investigation and analyses will be performed by the agency during the next two years to establish a State Home in the eastern part of the state.

Three development strategies are being considered for the establishment of a State Veterans Home in Eastern Washington:

- **Federally-Owned – State Operated:** The state will operate a federally-owned facility, most likely the nursing home facilities located at the Federal VA Medical Centers at Spokane or Walla Walla. This option provides multiple opportunities for partnership with the Federal VA in the delivery of services to Washington State veterans. Co-location with the Federal VA Medical Centers enables direct access to a full range of medical services and provides opportunities to favorably contract such support services as: laundry, dietary, custodial and maintenance. Additionally, proximity to the Federal VA Medical Centers facilitates development of collaborative programs to address the full array of veteran needs, while ensuring no duplication of services.
- **State-Owned – State Operated (Existing State Facility):** Adapt and reuse an existing state facility as a State Veterans Home to provide an excellent alternative for suitable facilities that might otherwise be faced with closure. This option protects the state's investment in existing facilities, provides opportunities for preserving state jobs, supports local economies and promotes positive community relationships. Further, the state will gain the same economic benefits experienced with the Western Washington Veterans Homes. Additional opportunities may exist, depending on the number, size and type of structures available on a particular site, to meet other needs of Eastern Washington veterans. Facilities not required for the direct nursing care mission will be evaluated for use to provide services such as drug and alcohol rehabilitation, vocational rehabilitation, transitional housing and homeless services. Opportunities to partner with local government and non-profit agencies to expand services to benefit the general population will also be explored. This re-designation of existing state beds as a State Veterans Home will not impact the number of nursing beds in the community.
- **State-Owned – State Operated (Existing Community Facility):** State Ownership will occur either through acquisition through a long-term lease with a purchase option of an existing community nursing home or homes. Federal VA construction program grants are available to fund 65 percent of the acquisition costs of existing facilities as long as they do not exceed the cost of new construction. Because this option simply redirects existing community beds to serve veterans, there will be no increase in the total number of nursing home beds in Eastern Washington. Facilities with lower-than-average occupancy rates in areas of high veteran population density will be evaluated for potential use as a State Veterans Home. This strategy provides potential benefits for both Eastern Washington veterans and the community nursing homes.

Under each of the development strategies, there is an option of operating the facility through a private contract, rather than directly by the state. Under a contracting arrangement, the agency would retain overall management responsibility for the State Veterans Home, including the presence of state employees on site.

Criteria were established to guide the identification of candidate nursing home facilities for a State Veterans Home in Eastern Washington:

- Proximity to major concentration of veteran population in Eastern Washington. Of the current 42,000 veterans aged 65 and over in Eastern Washington, 36 percent (15,200) live in Spokane County, 13 percent (5,600) live in Yakima County, and 9 percent (3,800) live in Benton County. All other counties in Eastern Washington have less than 2,500 veterans aged 65 and older.



WDVA is aggressively restructuring its service delivery system throughout the state, in particular Eastern Washington. As previously discussed, the establishment and positioning of the Veterans Community Services Coordinators will be a key and essential ingredient in the new service delivery structure. The Veterans Community Services Coordinator catchment area will emulate the same geographic responsibility currently overseen by the VA Medical Centers. For example, Walla Walla Medical Center services the counties of: Columbia, Yakima, Benton, Walla Walla, Garfield and Asotin with a combined veterans population of 41,900. The Spokane VA Medical Center services the counties of: Okanogan, Chelan, Kittitas, Douglas, Grant, Franklin, Adams, Lincoln, Ferry, Stevens, Pend Oreille, Spokane and Whitman with a combined veterans population of 85,100.

- Proximity to Federal VA Medical Centers in Spokane or Walla Walla.
- Facilities that are in good physical condition and would not require major improvements for conversion to a State Veterans Home.
- Facility has unused or excess capacity of at least 50 beds.
- Facility is already licensed under the Medicaid Program for skilled nursing beds.

An Eastern Washington Veterans Home will provide the same economic benefits to the state as those currently experienced from the Western Washington facilities. The State Home will receive federal per diem payments (currently \$50) to offset the cost of providing nursing care for resident veterans. Additionally, residents will contribute more to the cost of their own care (approximately \$37 per day) than veterans in community homes. This increased contribution is possible because veterans in State Homes are permitted by law to retain full entitlement of Federal VA pensions. Those pensions are automatically reduced to \$90/month when a veteran is in a community home. Finally, Veterans Benefits Specialists at the State Homes assist residents in filing claims to access all benefits to which they are entitled. The combined effect is a lower cost to the state to provide equal or better services to a veteran in a state home.

Potential savings for the alternatives, based on a 60-bed nursing facility, range from a low of \$275,000 to a high of \$1 million annually.

## Chapter 8 – Priorities and Timelines for Implementation of the Master Plan

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The agency has established the following priorities and timelines for implementation of the Statewide Master Plan.

**1. Establish State Veterans Home Presence and Other Continuum of Services in Eastern Washington:**

The Statewide Master Plan provides program direction and alternative development strategies to be considered in establishing a State Veterans Home in Eastern Washington. The agency has set as its top priority the further investigation, feasibility testing and implementation of a plan for Eastern Washington during the next two years. The goal is to have an operating State Veterans Home in the eastern part of the state by June, 2003.

Other enhancements to veterans services in Eastern Washington include the establishment of a veterans cemetery, expansion of transitional and rehabilitation programs and development of a field services and operations network. These will be implemented between 2001 and 2006.

**2. Funding, Design, and Construction of a Replacement Skilled Nursing Facility at Retsil:** The development of the proposed new skilled nursing facility at Retsil will occur over a five- to six-year period, with the following key phases:

- Initial State Funding Approval: January to April, 2001
- Federal VA Funding Approval: April to September, 2001
- Design of Skilled Nursing Facility: October, 2001 to September, 2002
- State and Federal Approval of Design: October, 2002 to April, 2003
- Construction of Skilled Nursing Facility: July, 2003 to June, 2005
- Opening of Facility: July, 2005

This is an aggressive timeline and any delays along the process would move out the opening of the facility by one or more years. For example, if Federal VA funding approval cannot be obtained until September, 2002, the subsequent phases of the project would be pushed back by one year.

The five-year timeframe for developing the new Skilled Nursing Facility will provide the Agency with adequate time to address the staffing relocation and other issues associated with the consolidation of long-term care at Retsil.

**3. Initiate Comprehensive Rehabilitation Program at Orting:** The comprehensive rehabilitation program proposed for the Orting campus is expected to parallel the timeframe for developing the skilled nursing facility at Retsil. Development of the rehabilitation program is expected to take place through a partnership between WDVA, Federal VA and private organizations such as VIEW, and others.

**4. Implementation of Phase 2 of the Master Plan:** The second phase of the Statewide Master Plan, which will include the upgrade of light nursing facilities at Retsil and expansion of the comprehensive rehabilitation program at Orting, is expected to take place between 2004 and 2010.